Lies, Secrets, AND Scams

SENIORS AND THEIR FAMILIES LOSE BILLIONS OF DOLLARS EACH YEAR TO HEARTLESS FRAUDSTERS. HERE, LEARN HOW YOU CAN HELP.

To understand how Beth Baker, an independent, generally robust 87-year-old, got taken for $65,000 in less than one week last year, it's important to know about her grandson, Will. Baker, a retired second-grade teacher living in National City, Calif., beams when she speaks of the 24-year-old, the eldest of her five grandkids. As a high school football player and later a U.S. Coast Guard Academy graduate, Will made his grandmother terribly proud. When, late last year, Will's wife delivered Baker's first great-grandchild, Baker was overjoyed. "Will is precious to me," Baker says.

So when a man phoned one morning last December from an unfamiliar number, the news he delivered hit her like a sledgehammer.

PHOTOGRAPHS BY BEN BAKER

"He said my grandson was in Peru and was in trouble there," Baker recalls. Then he put another man briefly on the line. Thinking it sounded like Will, Baker anxiously said into the phone, 'Will?'"

What Baker unwittingly did was provide the caller with her grandson's actual name, which was swiftly woven into a story. The caller said that Will had been a guest at a wedding in Peru. While driving, he had been involved in an accident that injured a 7-year-old pedestrian. Then a caller claiming to be Will's lawyer got on the line and said Will was in jail and needed money at once; there was no time to think or question. "And he said if I shared this story with anyone, there'd be trouble for my grandson," Baker recalls.

Baker hadn't seen Will for a while, but the tale seemed plausible to her.

So, shaken and scared, she followed the caller's instructions without verifying the story with anyone in her family. She hung up, drove to her bank, withdrew $5,000 from savings, and bought 10 $500 Green Dot MoneyPak cards at a CVS and a Ralphs supermarket. The contact called back as promised, and Baker scratched the card backs and read him the numbers beneath. That was all he needed to get an almost untraceable $5,000 payment, ostensibly for Will's legal fees.

The man called soon after to say the injured child had died. Will needed more money to avoid 10 to 20 years in prison. Again, the caller stressed urgency and secrecy. At his prompting, Baker withdrew $11,000, bought more MoneyPak cards, and waited for her phone to ring.

IN A RECENT STUDY, ABOUT 1 IN 20 SENIORS SAID THEY WERE FINANCIALLY ABUSED. IF A NEW DISEASE STRUCK THAT MANY OLDER AMERICANS, THE REPORT NOTED, A PUBLIC HEALTH CRISIS WOULD LIKELY BE DECLARED.

It did ring—again and again—each call detailing a new twist on Will's story and yet another demand. Over five days Baker purchased 101 MoneyPak cards and sent $65,000—almost all of her liquid savings.

Baker hardly slept. She was shaky and nervous. She skipped a visit to her husband, in nursing care at a home for veterans. She lied to her son, Jim—Will's father—about her activities. Once during a visit, Jim noticed that her thumbnail tip was black. He didn't ask why for fear of embarrassing her. In retrospect, he says, he realized that "it was from scratching off all those Green Dot cards."

When Baker applied at her local bank for a $14,000 loan against her paid-off home, she attracted the attention of a manager. With patient prompting, Baker finally confessed. The banker told her she was being scammed. They called Jim to confirm that Will was safe. "I was so relieved," Baker recalls.

Jim Baker reported the crime to the San Diego County district attorney's Elder Abuse Unit and fired off an angry letter to Green Dot. He remembers the incident with bitterness. "It made my mother question her own sanity and worth," he says. "At her age that's hard to get back."

LOVE AND FEAR
Scammers told Beth Baker to send money to rescue her grandson, Will (shown in photo frame).

A Crisis in the Making

Baker's story may sound unbelievable. You may tell yourself it could never happen to you or anyone in your family. But don't be so sure. Financial elder abuse—broadly defined as the illegal or improper use of the funds, property, or assets of people 60 and older by family, friends, neighbors, and strangers—is rising fast.

Estimates of the crime's frequency vary. A 2010 survey of seniors by the nonprofit Investor Protection Trust projected that 1 in 5 seniors had been taken advantage of financially. A study last year in the Journal of General Internal Medicine found that 4.7 percent of Americans—about 1 in 20—reported that they had been financially exploited in their later years. The study provided perspective: If a new disease struck that same percentage of older Americans, researchers wrote, "a public health crisis would likely be declared."

The Federal Trade Commission says that fraud complaints to its offices by individuals 60 and older rose at least 47 percent between 2012 and 2014. Seniors are the predominant victims of impostor schemes, in which criminals pose as government officials or other authority

Ordinary People, Outsized Courage

Seniors often fear reporting financial exploitation, so it remains mostly hidden. To warn others, these victims spoke out. Find out more at ConsumerReports.org/elderscamsupdate

1. An unscrupulous financial adviser cheated **Phillip Deeb, 77,** of Bradenton, Fla. (pictured here with daughter Deneé), out of $186,000 before law enforcement stepped in (see page 35).

2. In the hope of claiming a prize to share with family, **Edna Schmeets, 86,** of Harvey, N.D., lost $297,000 to swindlers (see page 33). Here she poses with daughter Lisa.

3. A phony letter sent to **Father Michael Ortiz, 86,** of San Diego said he'd won a $1.6 million sweepstakes. The retired Roman Catholic army chaplain was directed to transfer advance taxes to a bank account in South Carolina. Ortiz paid $40,000 before he reported it to law enforcement. Apprehended, the crook ultimately pleaded guilty to felony elder financial abuse.

4. The **Rev. Al Cadenhead, 68,** of Matthews, N.C., relinquished almost $16,000 in one day to an IRS imposter. The Baptist minister was threatened with jail if he didn't settle a purported tax bill immediately, using Green Dot MoneyPak cards for payment and keeping quiet to avoid further trouble.

5. A letter to **Wade Gardner, 62,** of Los Angeles, announced he could earn money evaluating retailers' customer service. After Gardner responded by phone, he was sent a $3,000 bank check and told to deposit the check and send $1,200 personal checks to two strangers. Both $1,200 checks—and five of his other checks—bounced after the $3,000 deposit didn't clear. Gardner paid almost $250 in bounced-check fees but says he could have lost much more.

6. Thinking she was rescuing her grandson overseas, **Beth Baker, 87,** of National City, Calif. (pictured here with son Jim), lost $65,000 to fraudsters before realizing she'd been conned (see page 28).

7. A contractor approached **Marjorie DeGrace, 77** (here with grandaughters Avianna, left, and Amanda), in her Wakefield, R.I., front yard and offered to pave her driveway for $3 per square foot. The paver started without giving DeGrace time to vet him. She paid $1,000 in cash and charged $8,000 before her children called police. Her son later measured the driveway and determined an overcharge of $3,600. The paver entered into a consent order to stop operating in Rhode Island and provide restitution or remediation to those who'd filed complaints, but DeGrace hasn't seen a dime.

8. **Louise Brown, 68,** a retired nurse from Richmond, Vt., met a man through a dating site who charmed her through e-mails and texts. Over six months, he persuaded her to send $60,000 to cover business troubles abroad. The money hasn't been recovered.

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figures and claim that money is owed. They also are hit hard by gambits involving prizes, sweepstakes, and gifts.

Older people's vulnerabilities–including isolation, loneliness, generally trusting natures, relative wealth, and in some cases declining mental capabilities–make them ideal quarry for con artists. Even those whose cognition is intact can be swayed if they're stressed or depressed, or recently have lost a loved one.

The amount lost to swindlers, whether they are strangers or even relatives, is huge, with estimates ranging from almost $3 billion to more than $30 billion annually. And as baby boomers age, the pool of potential victims will expand, with assets ripe for the pickpocketing.

Mining for Marks

Among the factors that keep seniors from reporting scams are deep humiliation once they realize they've been had, and fear of reprisals from scammers who may have made threats to keep them silent. Many may be unaware that they've been scammed. A 2011 study conducted in New York state found that in one year, just 1 in 44 cases was actually reported.

"Victims are often deeply ashamed," says Elizabeth Loewy, former head of the Manhattan district attorney's Elder Abuse Unit and now general counsel at EverSafe, a fraud-monitoring service for seniors. "They worry that if they're viewed as vulnerable, they'll lose their independence."

In addition to the psychic trauma, the crime can affect seniors' health. A 2009 study of people 65 and older participating in the Chicago Health and Aging Project found that older people subjected to abuse or neglect, including financial exploitation, were hospitalized at a higher rate than those who weren't victims.

Many of the cons that seniors get taken

Anatomy of a Swindle

Lottery and sweepstakes scams have been around for years, but they still ensnare seniors and younger individuals, sometimes for hundreds of thousands of dollars. One of the biggest operates out of Jamaica and several other countries, including Canada, Costa Rica, and Israel. Here's how the so-called Jamaican lottery scam can trap seniors and rob them of their savings:

1 Creating the list. Scammers collect seniors' names from sources that include obituaries mentioning surviving relatives and legitimate mailing lists of people who've bought products widely sold to seniors. They also get names from list makers that operate bogus mass sweepstakes mailing centers and cater to scammers.

2 Testing the waters. A mass mailing, sometimes personalized to each victim, is sent. It may offer an attractive product or service, or mention that the victim is eligible for a lottery or sweepstakes. The mail-in return forms ask for personal information such as phone numbers and whether the victim has a credit card. They may also ask for a small fee—say, $20.

3 Homing in on 'suckers.' The scam may end there with the receipt of respondents' fees. Or the scammers may create a more refined "sweepstakes list" or "sucker list" of respondents. They may use those lists themselves or sell them to others. Listed names are worth up to $6 each; the most valuable are older and alone, and often have a rural address.

4 Calling the 'winners.' A scammer, often from abroad, using a phone system that masks the call's origin, contacts a listed individual to announce that she has won a big prize. The catch: She has to pay fees or taxes up front—and keep the win a secret. The caller then directs the victim to wire or mail the funds to a third party's bank account.

5 Moving the money. The third party sometimes flies the cash to Jamaica to deliver directly to the scammer or has another person, a "mule," do it. Each participant takes a cut, often 10 percent.

6 Extracting more. After a victim sends money once, a scammer will call more often—several times a day—for money or just to talk. To develop a relationship, he'll probe the victim about her pets, hobbies, grandchildren, and other personal information. He may send her flowers or presents. The closer he gets to the victim, the more data he can extract, including Social Security and bank-account numbers. That information can be used to drain bank accounts and open credit cards in the victim's name.

7 Bearing down. When victims say they can't afford more, scammers suggest sources: reverse mortgages, cashed-in life-insurance policies, sales of property, cash advances on credit cards. A victim who balks will be told that her winnings are threatened; she may even be threatened with physical injury to herself or her family.

8 Creating an accomplice. Some victims are told that to redeem their winnings, they must accept checks from others and move funds to a third party. They unwittingly assist money launderers; some even become money-laundering conspirators themselves.

9 Blocking escape. Scammers have been known to track down victims who have changed their phone numbers. Posing as a concerned child, a scammer directs a local plumber to visit his mother for a service call and to then phone from the house. The mother may deny that she needs service, but if she lets the plumber make his call from her phone, the scammer can use caller ID to reconnect.

10 Donning white hats. Scammers sometimes pretend they're FBI agents, intent on helping victims recoup their lost funds. That service, of course, requires additional payments.

ILLUSTRATIONS BY NEIL WEBB

by are no different from those used against younger people. But criminals take pains to identify older people (see "Anatomy of a Swindle," on the facing page). A clever scammer who gets a senior on the phone will quickly tease out personal information. "They might say they want to send the person free medical supplies or that they just want to verify their personal information," says Hazel Heckers, a victim advocate at the Colorado Bureau of Investigation. "Either way, their Social Security number is requested."

To create personal connections, they'll use "mirroring" techniques. "They'll say, 'You're a veteran? I'm a veteran!'" says Debbie Deem, an FBI victim specialist based in Los Angeles who works with victims of financial crimes, including seniors. The flattery and emotional grooming are similar to techniques she has seen used by sex traffickers luring young girls.

"It's low-risk occupation," says Jane Walsh, director of the Community Protection Division at the Boulder County district attorney's office in Colorado. "Why would someone rob a bank when they can sit at home with a phone and call a bunch of seniors?"

An Emotional Appeal

Edna Schmeets, now 86, received a call in September 2011, the year after her husband died. A stranger claiming to be from an outfit called "American Cash Awards" announced to the Harvey, N.D., retired farm wife and homemaker that she had won a $19 million prize. All she had to do was wire $3,500 in advance fees and taxes to someone in Portage, Ohio. She shouldn't tell anyone, the caller said, or she would lose the prize. To Schmeets, who had dreamed of providing a substantial inheritance to her four remaining children, eight grandchildren, and six great-grandchildren, the promise of a vast sum seemed a godsend. She complied.

"They're good talkers," Schmeets says now, puzzling over how the scammers reeled her in over 10 months. "They can just about hypnotize you over the phone."

The caller, going by the alias Newton Bennett, then escalated his demands. Week

Build Your Own Safety Net

Staying involved in the community—and getting out and about—is the best prevention against elder financial abuse. Scammers use seniors' isolation to their advantage. The Eldercare Locator, at eldercare.gov, can help you find a range of services in your community. Other tips for seniors and the people who care about them:

PROTECT YOURSELF

• **Sign up for Nomorobo.** The free robocall interception service is available to customers with VoIP service from providers including Comcast and Time Warner Cable. CR testers recently found it to be very effective. Check at nomorobo.com to find out whether your phone service supports it. Or consider a whitelist call blocker, a device you attach to your phone to block all calls from numbers that you don't program. If you happen to answer a call from an unknown number, don't press to connect to a representative, even just to tell him to buzz off; you'll only show that you're a live person and generate more calls. Sign up for the National Do Not Call Registry (donotcall.gov or 888-382-1222); it won't prevent crooks from calling, but it will limit legitimate telemarketing calls.

• **Opt out of commercial mail solicitations.** You can arrange for a ban of five years at a time with the Direct Marketing Association's mail preference service (dmachoice.org). To eliminate unsolicited offers for credit, go to optoutprescreen.com.

• **Have someone help you pay bills.** Create a shared bank account with someone you trust. Then arrange to transfer only enough money each month to pay the bills. Get to know officers and tellers at your local bank or credit union.

• **Vet all contractors.** Never hire one without first checking with your state's contractor licensing board and the local Better Business Bureau. Ask for proof of insurance and bonding. Don't pay in full up front.

• **Check a financial adviser's credentials.** Find regulatory actions, violations, or complaints at brokercheck.finra.org.

• **Arrange for limited account oversight.** See whether your financial institutions will send statements and alerts to a trusted person who has no access to your accounts, just to check for fraud. Or try EverSafe (eversafe.com), a paid Web-based service that consolidates all of your accounts in one place and checks for suspicious activity daily. It lets you arrange for someone else to receive the online statements without having access to your accounts. We tried the Essentials version, $8, which generally worked as promised.

• **Set up an emergency plan.** There may be a time when you aren't able to control your own finances because of temporary hospitalization or permanent incapacity. Consider carefully to whom you give power of attorney. Don't assume the person closest to you will do the best job; you might be better off giving it to someone more detached and financially secure. The power-of-attorney document can be drawn up with limits, such as assigning a relative or friend to monitor the person with power of attorney, mandating a periodic written report of financial transactions, or assigning joint powers of attorney, which requires two signatures on every check.

• **Visit an elder-law attorney.** He or she can help set up a trust for one or all of your accounts. The arrangement can allow for you to control your money until the point at which you're deemed to need help.

PROTECT A LOVED ONE

• **Visit often, sometimes without advance notice.** Check for changes in behavior and for signs that the elderly person isn't taking care of herself, including changes in hygiene and a fridge with little food.

• **Set up a limited account.** If you're concerned about your relative's financial decision-making, set up a small account at a local bank for her. The account could, for instance, include a debit card and checking with a spending limit of, say, $300.

• **In an extreme case, file for guardianship or conservatorship.** That could require two exams: one, performed by a psychiatrist or neuropsychologist, to judge the elderly person's cognitive abilities; and another, by a specially trained psychiatrist or psychologist, to determine whether the elderly person is being unduly influenced. To be unduly influenced doesn't necessarily require cognitive impairment, says Bennett Blum, a forensic and geriatric psychiatrist based in Tucson, Ariz. Average exam costs, he says, range from $1,725 to $7,200 and are not covered by Medicare or other insurance.

by week, Schmeets eventually cashed in her investments and withdrew almost everything she had from savings. She borrowed against a life-insurance policy. She gave the scammers her credit-card number and personal identification number to provide more funds. She tried to get a loan on equipment from her family's 640-acre wheat and cattle farm. The local bank, now suspecting that fraud was afoot, refused.

Her daughter, Lisa, who lived about 2 hours away and visited her mom frequently, recalls that her mother was uncharacteristically secretive during that period. And Schmeets did something odd: She opened accounts in all three banks in her town and began shuttling money among them. Her children found out that the scammers had instructed Schmeets to receive and deposit checks from other victims, and send the money to a third party. Without her realizing it, Schmeets was being used by the scammers to launder money.

A banker in Harvey questioned Schmeets about her large transactions. "I don't remember what the heck I told him," Schmeets says, "but I didn't tell him the truth because I wasn't supposed to tell anybody."

The banker alerted Schmeets' son, Jeff, to his mother's strange behavior. Her children, who weren't named on their mother's account, immediately asked her to stop. Then they told the local police. The case was eventually forwarded to the FBI, and an agent began an investigation. By the time Schmeets stopped her folly, she'd lost $297,000.

"When the FBI got involved, it was like the spell broke," Lisa says of her mother's sudden awakening. "She was like, 'Oh my gosh.' And then she was really hard on herself. She'd really lost everything."

Altered Reality

Experts say it's not unusual for some victims to get duped repeatedly, betrayed not just by clever scammers but also by their own cognitive decline or emotional need. Jolene T. of California watched helplessly as her father, a retired plumber, and mother, a retired nurse, drained their life savings of $200,000 and borrowed an additional $50,000

GOOD INTENTIONS Edna Schmeets hoped to give her prize money to her family.

Money Management and the Aging Brain

We're all apt to get a bit fuzzier at money math as we age. The decline of financial skills—counting money, understanding debt and loans, paying bills, having the judgment to make prudent financial decisions—may be an early marker of something more: mild cognitive impairment due to Alzheimer's disease.

In normal aging, cognitive abilities involving speed—learning new material, recalling facts, shifting attention—slow down, notes Bennett Blum, a forensic and geriatric psychiatrist in Tucson, Ariz. Other abilities, associated with language and reasoning, improve. How an individual is affected depends on genetics, health, environment, physical activity, and other factors. And the decline may not be noticed for years if a senior functions well otherwise. "Someone who's not with the elder often won't even recognize it or might chalk it up to eccentricity," he says .

Only when a senior gets gulled into an unnecessary reverse mortgage or makes a bad investment decision—say, buying "gold" coins of questionable value—does the change make itself known. Stressful situations—often imposed by pushy telemarketers and outright scammers—also can highlight the impairment.

Declining cognition and dementia are blamed for seniors' susceptibility to scams, but those with intact cognition also can get snookered, possibly because of other pressures that make them more vulnerable. Loss of a relative, family discord, financial worries, or an overdependence on another person—all can contribute, says Susan Bernatz, a forensic neuropsychologist in Marina Del Rey, Calif. "I've seen many cases involving people with full mental capacity whose trust and dependency were exploited for another person's financial gain," she says.

Notably, cognitive decline affects financial decision-making differently among personality types. A study published in 2014 by researchers from DePaul University and Rush University Medical Center found that seniors who have an overinflated faith in their financial abilities could be more vulnerable than others to money scams. As their cognition wanes, the risk increases. What's more, the report said, getting stung once might not be enough to keep some overconfident types from being defrauded again.

'WHY WOULD SOMEONE ROB A BANK WHEN THEY CAN SIT AT HOME WITH A PHONE AND CALL A BUNCH OF SENIORS?' ASKS JANE WALSH, DEPUTY DISTRICT ATTORNEY, BOULDER COUNTY, COLO.

responding to multiple sweepstakes prize offers, including one for $2.5 million from "Global International Sweepstakes." Jolene consulted her father's doctor, hoping he would declare her father incompetent so that she could take over his finances, but the doctor didn't see signs of cognitive decline. Legally her father was able to carry on.

"I'd be at the house, and he'd get a call," Jolene says. "They'd tell him to wire the money right away. He'd run out the door to send it, and I'd run after him. I still could not stop him.

"He was so deeply invested in it that he didn't want to believe it was a lie," she adds. "It became a kind of addiction."

"The victims I deal with would not call these scammers strangers," says Deem, the FBI victim specialist. "To these people, they're their friends."

To get through to victims and encourage them to stop, Deem tries to reveal the scams' contradictions. But even when the hustlers are unmasked, some lonely victims appear not to care that they're being duped. "A woman with Alzheimer's said to me, 'If you take this away from me, what will I have to live for?'" the FBI agent recalls. "Another one said, 'His voice is like a song to me.'"

A Violation of Trust

Whether hatched around the corner or halfway around the world, these schemes often depend on the establishment of trust. Phillip Deeb, a retired meat cutter in Bradenton, Fla., trusted Dennis Cline and thus lost his life savings.

In 2006, when Deeb was 68, he responded to a mailing promoting Medicare supplemental insurance. He was sent a list of local insurance agents and selected Cline to sell him the policy. Cline soon began courting Deeb, befriending him and inviting him to a holiday party. He persuaded the retiree to put his entire $186,000 lump-sum pension into an annuity and offered to prepare his taxes. "He seemed trustworthy," says Deeb, now 77. He admits he should have checked Cline's credentials.

In 2008 and 2009, the IRS sent Deeb notices for unpaid taxes. Cline said he would handle it. But in late 2011, the IRS put a lien on Deeb's accounts. Though Cline had asked Deeb and his wife, Mary Jane, to sign their tax forms, he hadn't filed the returns at all. Deeb owed the IRS $20,000.

Around the same time, Deeb received a collections notice for cable television service he'd never ordered. Deeb's daughter, Deneé, and son, J.P., decided to investigate and found that Cline had used Deeb's Social Security number to arrange for the service in his own home. Suspicious, they dug deeper. They discovered that Cline had opened two more annuities. Over time, he'd gutted all three accounts, impersonating his client to gradually withdraw the funds by phone. To escape detection, he'd arranged for statements and checks to be sent to his or his father's home. The value of the annuities had dropped to zero.

Deeb's children alerted police. In November 2012, Cline was arrested, and a month later he was charged with scheming to defraud $50,000 or more, a first-degree felony. Various delays caused the case to drag on for 14 months. The anxiety ate at the couple. Phil Deeb, recovering from surgery to his pancreas, had several panic attacks, and a few months after the case ended, he underwent open-heart surgery. "The doctor states it was due to the stress in his life," Deneé says.

Lisa Chittaro, the assistant state attorney who prosecuted the case, worried that the Deebs wouldn't live to see justice. "I've seen it happen," she says. "A defense attorney for this kind of case once told me, 'Delay is my friend.'"

Taking a Safety Show on the Road

Members of the Stop Senior Scams Acting Program, ages 60 to 97, travel to senior and community centers, churches, and synagogues to perform an education-based show. The troupe, based in Los Angeles, dramatizes a variety of senior scams, from fake diamonds sold by mail to bogus time-share offers. Founded in 2009 by director Adrienne Omansky, the cast members are themselves victims or near-victims of such cons; they write the scripts based on their experiences. After their performances, audience members often come up to the stage to share their own tales or stories of someone they know. "They tell us things they have not told their own families," Omansky says.

Director Adrienne Omansky educates seniors.

In one act, a scam ring "madam" instructs five gold diggers to follow up on obituaries by visiting rich widowers. Each visits her mark, pretending to be a friend of the deceased wife, and walks away with handfuls of cash, to the tune of Abba's "Money, Money, Money." In another skit, a woman pays $3,000 to two fake talent agents. "Betty White, move over!" she says proudly while the con artists high-five each other behind her.

Cast member Bob Eddy, who almost fell for a "mystery shopper" scheme, says his experience in the troupe has taught him one big lesson: "Don't keep it a secret," he says. "Tell somebody. You're not the only one."

ACT

Petition the top phone companies to provide customers with free tools that are currently available to stop robocalls, which can be the origin of scams. Access Consumers Union's End Robocalls petition at: **EndRobocalls.org**

PHOTO, RIGHT: ARTHUR OMANSKY

The Fight for Justice

In search of help, families report to local police, financial institutions, and numerous government agencies and not-for-profits (see "Where to Report Abuse," on page 37). But investigations and prosecutions often fall short because of lack of training and coordination among various experts.

Investigators may be able to determine the origin of a phone call or the original IP address of an Internet operation, but by then the crooks have moved on. Paul Greenwood, San Diego deputy district attorney and head of the office's Elder Abuse Unit, notes that although Green Dot changed the loading process of its cards earlier this year to make it impossible for scammers to redeem loaded funds remotely, criminals are using other cards in their place.

And resources stretch only so far. "The feds are more interested in a global picture, with a criminal network, lots of defendants, and millions of dollars," Greenwood says. "If I brought them Beth Baker's case, for $65,000, they'd probably laugh at me."

Yet dogged investigators can succeed. While looking into some suspicious money transfers through the mail, Brian Horne, a postal inspector based in Miami, and Frank Gasper, the FBI special agent in Bismarck, N.D., who was probing Edna Schmeets' case, discovered that they were tracking the same person: Shannon O'Connor of Deerfield Beach, Fla., who was receiving large checks from Schmeets and at least three others.

Horne and Gasper teamed up and eventually paid O'Connor a visit. She was arrested and questioned. "Initially she told a couple of stories," Gasper recalls. "But after a 40-minute interview, she realized we knew what was happening."

O'Connor cooperated, and the investigators pieced together the workings of a network of middlemen in the U.S. collecting huge sums of cash, much of it from seniors, and wiring or flying the funds to Jamaica. Working with Jamaican law enforcement, Horne and Gasper identified 32 conspirators in the U.S. and Jamaica. They estimated that the conspiracy had collected a total of $5.5 million from at least 70 victims across the country.

Progress on Many Fronts

As difficult as such probes can be, elder-abuse experts say they've seen some progress in how the crime is perceived and handled. Last September, for instance, the Department of

Initiatives That Could Help Prevent Elder Fraud

At July's White House Conference on Aging, President Barack Obama announced plans to train more prosecutors to combat elder abuse, including financial exploitation. The program is to be backed by the Department of Justice. That initiative—and possibly the first known utterance of the phrase "elder abuse" by a U.S. president—were viewed by some as evidence that the exploitation of older Americans is finally becoming part of the public discourse. But a problem with so many dimensions needs to be addressed on multiple levels.

All telecom companies should offer call-blocking technologies. The systems would enable their customers to help stop robocalls that often generate scams. (Certain companies already offer call-blocking services for some Voice over Internet Protocol, or VoIP, services and landlines.) Recently, attorneys general in 44 states and the District of Columbia asked five major companies—AT&T, CenturyLink, Sprint, T-Mobile, and Verizon—to offer the service. Consumers Union, the advocacy arm of Consumer Reports, has actively campaigned for the measure; more than 450,000 consumers have signed Consumers Union's End Robocalls petition to the top phone companies to provide those tools to consumers at no charge. (Access the petition at EndRobocalls.org.)

States could pass new, targeted civil statutes. In all states, victims can sue known con artists in civil court for fraud, misappropriation, breach of fiduciary duty, and other causes of action. But a senior fleeced of $20,000 by his accountant might not find a lawyer willing to file a suit over such a relatively small sum, says Jane Lee, director of the Financial Crime Resource Center at the National Center for Victims of Crime. But in the five states with elder-financial-exploitation civil laws—Arizona, California, Florida, Hawaii, and Oregon—victims who sue can recover attorney fees and get treble damages, among other benefits. If that innovation were copied nationwide, more victims

might seek justice in both civil and criminal courts, Lee says.

More physicians could be trained to spot the warning signs of abuse. That evaluation could become part of regular medical checkups. As with suspected child abuse, doctors should know where to report their concerns. (Currently, medical professionals who routinely work with the elderly are being trained in that skill through Baylor College of Medicine's Elder Investment Fraud and Financial Exploitation Prevention Program.)

More elder-abuse task forces should be established. The entities, composed of local and federal law-enforcement officers, prosecutors, financial institutions, adult protective services, and others involved in elder protection, would enable professionals in a community to share information more quickly, aiding in investigations and prosecutions. Page Ulrey, senior deputy prosecuting attorney for the King County, Wash., prosecuting attorney's office, suggests that every state or county attorney's office should have a dedicated elder-abuse prosecutor. "We're so far behind in how we're approaching this problem," she says. "We're not thinking of it as the paramount and pressing issue that it is."

Justice launched a website (justice.gov/elderjustice) that includes a database of publicly filed documents used in elder-abuse, neglect, and exploitation cases so that prosecutors can share strategies.

Most statutes related to elder financial exploitation are at the state level, and several states have recently acted to beef up those laws. Maine added financial exploitation to its definition of elder abuse. Ohio is considering a bill to require financial institutions and their employees observing suspected elder abuse be "mandated reporters" to law enforcement; almost all states offer immunity from liability to those who report the crime.

Missouri recently allowed stock brokerages suspecting elder fraud to refuse to process a senior's trade request or transaction for up to 10 days. New York is considering a similar bill for banks.

Financial institutions have begun training personnel to identify and report signs of elder fraud. Wells Fargo Advisors, the megabank's brokerage arm, now trains all of its employees to be mandated reporters. Businesses have sprung up with products to help prevent the abuse (see "Build Your Own Safety Net," on page 33).

Improved coordination with foreign countries has helped. Jamaica, a known hotbed for lottery scams, passed a law in March 2013 to make it easier to prosecute scammers. Shortly after, Sanjay Ashani Williams, 25, a "lead list" seller from Montego Bay, Jamaica, flew to Charlotte, N.C. There was an arrest warrant out for him, and he was apprehended. One of his victims was Edna Schmeets.

The Power of Speaking Out

A powerful tool in the arsenal of elder-abuse prevention is awareness.

Publicity—such as the 2009 conviction of Anthony Marshall for stealing millions from the estate of his mother, philanthropist Brooke Astor—is making elder fraud more visible. Numerous government agencies and not-for-profits offer educational websites and literature. But seniors themselves may be the most powerful teachers. When they bravely tell their stories, peers listen (see "Acting Out for Justice," on page 35).

In late April, in federal court in Bismarck, Edna Schmeets took the stand to testify about suffering at the hands of the lottery schemers. She knew she would see Sanjay Williams face to face. "She was concerned about her safety," Lisa recalls. "But she was a champ."

Righting the Wrongs

Elder-fraud cases are sometimes resolved, but victims don't always get their due. In January 2014 Dennis Cline was convicted of defrauding $50,000 or more. He went to prison and was ordered to pay $94,442 in restitution to Phillip and Mary Jane Deeb. But the Florida Department of Corrections says Cline is behind in payments to the Deebs since his February release. To make ends meet, Phil Deeb—who had lost his life savings in the fraud—had to return to the Publix meat counter. Then he became too sick to work. "It breaks down your body," Deebs says of the experience. "You become sicker than you were."

Edna Schmeets didn't get her money back, which leaves her bitter. But in May, she learned that Sanjay Williams had been found guilty of conspiracy to commit wire fraud or mail fraud, conspiracy to commit money laundering, and 35 counts of wire fraud. Sentencing is scheduled for early October. He faces a potential 40 years in prison.

Greenwood says the Beth Baker investigation is ongoing. Baker doesn't expect that she'll get her money back, and she's fortunate that her loss didn't jeopardize her retirement. Like Schmeets, she now has her children's names on her bank accounts and lets them periodically check her transactions. She says she's satisfied if her words help protect others.

"These people are willing to take the stand in a public forum and talk about something embarrassing in order to help bring people to justice and stop the fraud," says Assistant U.S. Attorney Clare Hochhalter, the lead prosecutor against Sanjay Williams in North Dakota. "They are heroes to us."

"I don't feel like a hero," Baker says. "But I'm thankful if I can keep somebody else from being fooled."

SHARE

Have you, a friend, or a family member been the victim of an elder scam to steal money or property? Did you or the person you know fight back? Share the story with us on our Facebook page:
facebook.com/ConsumerReports

Where to Report Abuse

AARP's scams and fraud page (member.aarp.org/money/scams-fraud) offers information on the latest frauds against older people.

Consumer Financial Protection Bureau's Office of Financial Protection for Older Americans (consumerfinance.gov/older-americans) receives and investigates consumer fraud complaints specifically related to mortgages, credit cards, banks, loans, and more.

Financial Fraud Enforcement Task Force's stopfraud.gov/report.html is a first stop when reporting a scam. The site also has numerous resources for seniors and family members.

National Adult Protective Services Association (napsa-now.org/get-help/help-in-your-area) has a national map with links to abuse-reporting hotlines by state.

National Center on Elder Abuse (ncea.aoa.gov; click on Stop Abuse) has state directories of help lines and elder-abuse-prevention resources in all 50 states and the District of Columbia.

Senate Special Committee on Aging toll-free hotline (855-303-9470) can refer victims and families to resources for assistance. Or go to aging.senate.gov/fraud-hotline.

For more resources, go to Consumer Reports.org/elderscamsupdate